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(1) Defense Ministry plans three-fold more quarters for visitors at
Tsuiki base

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AKAHATA (Page 2) (Full)
January 8, 2008

Japan and the United States are now realigning the U.S. military
presence in Japan. Along with this move, the two countries carried
out joint combat training exercises in March and June last year at

the Air Self-Defense Force's Tsuiki base in Fukuoka Prefecture. Meanwhile, the Defense Ministry revealed a plan yesterday to rebuild more quarters for "visitors" at the base. The plan came out yesterday in a Diet reply to a question asked by Seiken Akamine, a House of Representatives member of the Japanese Communist Party.

The ASDF's Tsuiki base currently has four billets for ASDF personnel. House 3, one of the four billets, was built in 1989 and has rooms for 40 guests. According to the Defense Ministry's explanation, House 3 will provide additional rooms for 20 more guests. In addition, the Defense Ministry plans to rebuild Barracks 1 because it is old. Barracks 1, after it is rebuilt, will have 70 more guest rooms (for 50 men and 20 women). Accordingly, the base quarters will have rooms for a total of 130 guests.

The Defense Ministry has already earmarked 1 billion yen in its budget estimate for next fiscal year. The new quarters will be built at the end of fiscal 2010. The ministry says the Tsuiki base houses 400-500 ASDF members at its quarters.

Late last year, the JCP's Fukuoka Prefectural Committee held a meeting with the Defense Ministry. On that occasion, the Defense Ministry declared that the ASDF could conduct training at the Tsuiki base for the U.S. military's emergency use of the base, in addition to bilateral joint training exercises. In addition, the Defense Ministry plans to expand the Tsuiki base with an extended taxiway and more fuel tanks. This plan was brought to light in November last year. Faced with local objections, the Defense Ministry has withdrawn its budget request for a base expansion survey.

The Defense Ministry says the base expansion plan has nothing to do with U.S. military training. The ministry also says it will not withdraw the base expansion plan. The billet rebuilding plan, as well as the base expansion plan, is tantamount to a full-fledged base buildup for the U.S. military's realignment.

(2) Mitsubishi Heavy Industries to cut launch cost for H2A to the

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same level as those for U.S. and European rockets

NIKKEI (Page 1) (Full)
January 7, 2008

Mitsubishi Heavy Industries will cut the launch cost for Japan's leading rocket, the H2A, which is used to launch satellites, by 30 PERCENT to 7 billion yen by 2009 so that the price will be almost the same set by launching firms in the United States and Europe. Mitsubishi also will drastically revise its management system, such as developing rocket control programs, and shorten the period for delivery from the receipt of orders to the launching of the rocket to one year or two-thirds of the current delivery time. Arming itself with the competitive price and delivery time to counter rival American and European firms, Mitsubishi aims to enter the business of launching commercial satellites.

Demand for the launch of commercial satellites in the world is 20 on an annual basis. Nearly half such satellites are launched by Arianspace SA, followed by Russia's Khrunichev and America's Sea Launch. Last spring Mitsubishi took over the H2A rocket business from the government. When it comes to how many satellites Mitsubishi has launched, the company launched two of the government's satellites in fiscal 2007, and it only plans to launch one satellite in fiscal 2008.

In order to make the launch business payable, Mitsubishi thinks it is necessary to launch at least three rockets annually. It is therefore indispensable for the company to enter the market for launching commercial satellites for telecommunications or broadcasting.

It is essential for Mitsubishi to review the past program development process and the production and inspection systems so as to reduce the launch cost and shorten the delivery time. As for control programs, including flight paths, which have been previously created every rocket launch, Mitsubishi will adopt a system to

re-use the past control programs that were successful by adding adjustments to them. By so doing, the company will shorten the period of creating such programs to three months, one-third of the previous time.

Mitsubishi produced fuselages at its Tobishima Factory at Tobishima Village in Aichi Prefecture on a made-to-order basis, but it will shift to an anticipated production system. By front-loading the production of a maximum of five fuselages per year, the company will shorten the delivery time to one year so that it can launch the rocket four to five times annually.

In the past Mitsubishi has inspected the fuselage both at the Tobishima Factory and the Tanegashima Space Center (TSC) in Kagoshima Prefecture, from which a satellite is launched, but it will intensively inspect it at the TSC in the future. As for the maintenance of the launching site, which Mitsubishi has been charged with, negotiations are underway on such plans as having Mitsubishi repair the launching site soon after the launch, but entrusting the regular maintenance of the launching site to government hands. Negotiations also are proceeding on a plan for the government to buy flight data to make best use of them for national-level research.

If all those steps are taken, the current launch cost of 10 billion yen could be reduced to 7 billion yen or so. In addition it would

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become easy to meet satellite companies' requested time for the launch. Mitsubishi aims to receive orders for launching commercial satellites during the period from January to March of 2009.

The launching price set by the largest launch company, Arianespace, is 6-7 billion yen. In terms of the delivery time from receiving orders to the launch, Mitsubishi's H2A will have an advantage over the launch rocket by Khrunichev and that by Sea Launch. Mitsubishi will counter its rivals by enhancing its competitiveness in terms of the launch price and the delivery time.

(3) Fukuda administration's key persons: Koga, Tanigaki, Aso fail to depict strategy for post-Fukuda

NIKKEI (Page 2) (Full)
January 8, 2008

Prime Minister Yasuo Fukuda delivered a speech on January 7, the first day of work this year for the ruling Liberal Democratic Party (LDP). Policy Research Council Chairman Sadakazu Tanigaki and Election Committee Chairman Makoto Koga also attended the session. Tanigaki was nodding sometimes while listening to Fukuda's speech and Koga was listening to his speech with his eyes shut occasionally. The Koga and Tanigaki factions, which were derived from Kochikai (the former Miyazawa faction), will be merged into one faction as early as April. It will be seven years since Kochikai broke up. They are eyeing the political situation, including a possible race to succeed Fukuda after the next House of Representatives election.

Koga visited shrines in Omuta City, Fukuoka Prefecture, at the beginning of the New Year. When asked about the timing for Lower House dissolution to call for a snap election, he responded: "It is desirable that such occurs next fall when the terms of Lower House members expire." He indicated in his remarks that as the official responsible for elections, he felt anguish. But he had not forgotten his pride as a member of the conservative mainstream when he stressed in a meeting in Hirokawa Town, Fukuoka: "We want to gain power to stay in the inner sanctum of government."

In a meeting on Jan. 6 held by the LDP in Kyoto City, Tanigaki called for support for the party-backed candidate running for the February Kyoto mayoral election. After that, he underscored: "We will do our best to break through Japan's political stalemate when the time comes. We will experience a great political battle this year." He stored up his energy by riding his bicycle over the year-end and New Year's holidays.

Tanigaki has been unable to show his political presence in the tax

and fiscal policy debates and on the hepatitis problem, falling under the shadow of Kaoru Yosano, former chief cabinet secretary. He has obtained the Policy Research Council chairmanship, but his methodical strategy has created the impression of his being indecisive. There is no surge in party momentum to support him to succeed Fukuda. A senior Koga faction member said:

"A prior condition for the unification of the two factions was to have Tanigaki become prime minister and Koga assume the post of Lower House speaker. But I now don't know whether Tanigaki will become prime minister."

Taro Aso, who heads one of the LDP factions, held a morale-boosting

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rally in Iizuka City, Fukuoka Prefecture. He stated: "A man faces challenges many times. It is not good for him to give up his ambition even if he was defeated." Appearing on the NHK program "Speak in English," he said: "I went once to a Meido (Japanese phonetic for maid) cafe, where the service staff members dress as elegant maids." He enjoys widespread popularity among the masses. He is described in web sites as a politician who can understand the public.

Aso's basic strategy is to keep a reasonable stance from the Fukuda administration. He cooperates with Shoichi Nakagawa, who has distanced himself from Fukuda, while expressing his support for the prime minister. What is difficult for him now is to know when the right time is for challenging Fukuda. If the ruling coalition fails to hold a majority in the Lower House election, it will fall into the opposition camp. But if the Fukuda government lasts a long time, the chance for Aso to succeed Fukuda will slip away. A senior Aso faction member quipped: "I am concerned about whether Aso's popularity will end."

(4) Editorial: Thoughts on the "China problem" at the beginning of the year

TOKYO SHIMBUN (Page 5) (Full)
January 8, 2008

Beijing will host the Olympic Games this summer. It is expected to be an event symbolizing China's rise. But saddled with many problems, China cannot afford to feel elated by its sudden rise.

The year 2008 marks the 30th anniversary of China's reform and open-door policy. Achieving nearly two-digit annual economic growth during this period, China's GDP now ranks fourth in the world after the United States, Japan, and Germany. If China's economy continues growing at the current rate, it is certain to surpass the size of the Japanese economy in the near future.

Chinese economy also affects Japanese economy

The CIA has projected that in terms of purchasing power, taking differences in prices into consideration, instead of nominal GDP, China would become the world's second largest economy after the United States with its economy growing to a size more than twice that of the Japanese economy.

In terms of trading volume, China is a bigger economic partner for Japan now than the United States is. The Chinese economy has an influence on the Japanese economy. Japan and China are said to have formed an economic community with a variety of sectors in Japan, including the manufacturing and services industries, having shifted to China. This is not a supposition but reality.

At the same time, as a member of the UN Security Council, China's voice is becoming louder in the international political scene. One might even wonder why China is not a member of the G8 Summit to be held in July in Hokkaido's Lake Toya hot-spring resort area.

But Japan-China relations and the future of China and the world around it warrant no optimism. China's defense spending has seen a two-digit year-on-year increase over the last 19 years, surpassing Japan's spending in 2007. China's military power, which is less

transparent than that of other countries, also worries us. Mao

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Zedong once said: "State power grows out of the barrel of a gun." In such a country, the military has strong influence over politics.

Democracy in Taiwan has now grown to the level of directly electing its president and legislators. China is set to use force against Taiwan if it moves toward independence. The existence of opposition parties is not allowed under the dictatorship of the Communist Party, and the media is still under strict control.

China claims rights as a developing country

China has been an oil importer since 1993 because of a sharp increase in consumption of natural resources due to rapid economic growth combined with energy-consuming extensive development of resources in the country. China has a strong urge to obtain energy not only from the Middle East but also from Africa and Latin America.

China has reportedly become the world's largest emitter of carbon dioxide, overtaking the United States. Despite that, the country is demanding treatment different from that of industrialized countries as a developing country in the global effort to reduce greenhouse gas emissions. Air and water pollution is also serious. Japan is suffering from growing volume of yellow dust that blows over from China due to progressive desertification in that country.

The widening rich-poor divide in China is also extremely serious. The income disparity between urban and rural areas, which the Chinese Academy of Social Sciences described as the world's largest, remains huge. Working conditions for an estimated 120 million rural migrants are harsh. Beijing has just started medical services and old-age security for rural people and the urban poor who account for 70 PERCENT of the total population. Some researchers predict that the pension issue will grow into a serious problem to rock China around 2020 when the graying of its population sets in.

A question mark is hanging over China's sustainable growth and its future stability. China's political and economic presence is incomparably greater than that of the era before the reform and open-door policy. Instability of China's domestic affairs might result in a security issue in East Asia.

The "China problem" associated with its rapid development and its growing national power has surfaced as the toughest challenge of the 21st century for its neighbors. Why is it so difficult to associate with China?

The administration seems to be shackled by the trauma of 150 years of aggression and oppression by powerful countries, while the country is trying to transform itself into an affluent, strong power.

The trauma occasionally erupts in the form of excessive claims about sovereign rights and national interests and fierce reactions to criticisms from other countries. However, Japan, having a history of prioritizing sovereignty and external expansion over human rights and freedom, despite having succeeded to be the earliest country in East Asia to modernize, might not be qualified say this or that about China.

Nevertheless, as a country that knows that extreme sovereign rights and nationalism cause tremendous pain not only to its neighbors but

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also to its own people, Japan must say what must be said.

Japan-China relations have returned to normal starting with a summit meeting that occurred when then Prime Minister Shinzo Abe visited China in 2006. During his visit to China in December, Prime Minister Yasuo Fukuda said "spring has come." Fukuda is eager to make 2008 the first year of progress in Japan-China relations.

But the current bilateral relations are not mature enough to exchange frank views on the "China problem" and to learn from each other's flaws in their modernization efforts.

Fragile Japan-China friendship

Afraid of deteriorating bilateral relations, the two countries just seems to be playing up their friendship, while avoiding penetrating talks on controversial issues.

We now realize how fragile Japan-China friendship is. China is trying to make great strides forward toward becoming a major power. Now is the time to face and frankly discuss the China problem in order to build a bilateral relationship under which both countries can jointly search for ways to overcome it, based on Japan's mistakes.

DONOVAN